



# ***2014 Market Trends and Reappraisal***

**Board of Directors Meeting**

**March 19, 2014**



# *Residential Property Market Overview Tax Year 2014*



# Houston Economy

- Houston's economy has continued to experience vigorous growth
- Job growth, low unemployment, low interest rates, and affordable housing have combined to create a very strong residential market
- Sales volume, average price, median price, and months of inventory all reflect a healthy local residential real estate market



# Housing Starts

- 2013 single-family home starts up 20% over 2012
- In 2013, Houston lead the nation in single-family home starts ranked accordingly,
  - Houston @ 28,339
  - Dallas @ 21,200
  - Atlanta @ 13,119
- In the 4<sup>th</sup> quarter of 2013 builders started 6,141 new homes, which is the largest 4<sup>th</sup> quarter in more than six years



# Housing Inventory

- Below 4 months of supply since November 2012
- Fell below 3 months in November 2013
- Fell to 2.6 months in December 2013, which is the lowest level ever recorded in Houston
- National average is 5 months
- Under 6 months is considered a balanced market, below indicates a sellers market





# Single-Family Housing Market

- Sales volume increased 17.4%
  - 2012, 62,374 total sales
  - 2013, 73,232 total sales
- Total dollar volume increased 30.2%
  - 2012, \$16,040,186,637
  - 2013, \$20,891,392,084



# Single-Family Housing Market

- Average sales price increased 10.3%
  - 2012, \$225,330
  - 2013, \$248,591
- Median sales price increased 9.4%
  - 2012, \$164,500
  - 2013, \$180,000



# Single-Family Housing Market

- December 2013
  - Average price of \$265,017 is the highest ever in December for Houston
  - Median price of \$188,000 is the highest ever in December for Houston
  - Inventory of 2.6 months is the lowest ever





# Foreclosures

- Continued to fall all year
  - Fell 48.8% December 2012 to December 2013
  - Represents 6.5% of all property sales, which is 1/3 of the percentage at the beginning of 2013
  - Median price increased to \$91,000 or 8.3%



# 2014 Single-family Reappraisal Status *(as of March 17)*

Stratum	Parcels	Percent of Parcels in Stratum		
		No Change	Increase	Decrease
Under 80,000	224,964	56.1%	35.1%	8.8%
80000 - 149,999	346,410	18.4%	78.8%	2.8%
150,000 - 249,999	204,128	7.6%	90.7%	1.6%
250,000 - 499,999	121,864	5.0%	94.0%	1.0%
500,000 - 999,999	36,559	3.0%	95.6%	1.4%
1 million and up	15,526	3.9%	94.4%	1.6%
<b>Percent of Total</b>	<b>949,451</b>	<b>22.5%</b>	<b>73.9%</b>	<b>3.7%</b>

<b>Tax Year 2013</b>	<b>55.8%</b>	<b>30.0%</b>	<b>14.2%</b>
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# 2014 Single-family Valuation (as of March 17)

Stratum	Overall Percent of Change	Average Percent of Change	
		with New Construction	Reappraisal Only
Under 80,000	5.53%	6.43%	5.93%
80000 - 149,999	13.05%	19.16%	14.47%
150,000 - 249,999	15.32%	22.36%	15.85%
250,000 - 499,999	19.74%	30.00%	19.66%
500,000 - 999,999	20.81%	30.18%	20.35%
1 million and up	21.04%	25.26%	20.51%
<b>Percent of Total</b>	<b>16.61%</b>	<b>18.75%</b>	<b>13.74%</b>